

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme MIDAS RESOURCES LIMITED

ACN/ARSN 095 092158

1. Details of substantial holder (1)

Name SANTANA MINERALS LIMITED

ACN/ARSN (if applicable) 161 946 989

The holder became a substantial holder on 25/11/13

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully Paid Ordinary Shares	1,240,000,000	1,240,000,000	19.9%
Preference Shares (*)	800,000,000	-	-

* See Annexure 1.

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
SANTANA MINERALS LIMITED	Registered Holder	1,240,000,000 Fully Paid Ordinary Shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
SANTANA MINERALS LIMITED	SANTANA MINERALS LIMITED	SANTANA MINERALS LIMITED	1,240,000,000 Fully Paid Ordinary Shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
SANTANA MINERALS LIMITED	25 NOVEMBER 2013		*	*

* See Annexure 1.

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
NOT APPLICABLE	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
SANTANA MINERALS LIMITED	GROUND FLOOR, 139 CORONATION DRIVE, MILTON QLD 4064

Signature

print name CRAIG J. MCPHERSON capacity COMPANY SECRETARY

sign here  date 26/11/13

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE 1

Midas Resources Limited issued the following securities to Santana Minerals Limited upon completion of the acquisition of Mt Dockerell Mining Pty Ltd:

- (a) 1,240,000,000 fully paid ordinary shares in Midas Resources Limited at an issue price of \$0.001; and
- (b) 800,000,000 preference shares in Midas Resources Limited at an issue price of \$0.001, with preference shares convertible to fully paid ordinary shares of Midas Resources Limited on the terms and conditions outlined below.

TERMS AND CONDITIONS OF PREFERENCE SHARES

1. DEFINITIONS

In these terms and conditions:

“**ASX**” means Australian Stock Exchange Limited.

“**Business Day**” means a business day as defined in the Listing Rules.

“**Company**” means Midas Resources Limited (ACN 095 092 158).

“**Corporations Act**” means the Corporations Act 2001 (Cth).

“**Directors**” means the directors from time to time of the Company.

“**Issue Price**” means \$0.001.

“**Listing Rules**” means the official listing rules of the ASX, as amended or replaced from time to time.

“**Preference Share**” means a converting non-cumulative preference share as referred to in clause 2.

“**Preference Shareholder**” means the holder of a Preference Share.

“**Share**” means a fully paid ordinary share in the capital of the Company.

“**Shareholder**” means the holder of a Share.

“**Voting Power**” has the meaning given to it in the Corporations Act.

2. TYPE AND PRICE

The Company may issue preference shares which will be known as “Preference Shares” each at the Issue Price and on the terms and conditions herein.

3. DIVIDEND

3.1 Preference Share dividend

Preference Shareholders are entitled to receive the dividend specified in this clause 3.

3.2 Dividend rate

The dividend is fixed at 5% of the Issue Price of each Preference Share.

3.3 Dividend entitlement

Preference Shareholders will be entitled to a dividend at any time that the Company declares a dividend to Shareholders.

3.4 Dividend date

Dividends shall be paid within 30 days after the Preference Shareholder becomes entitled to the dividend.

3.5 Method of payment

Dividends shall be deemed paid if paid by cheque or direct debit (or as soon as practicable after) the date determined by the Directors that is dividend is to be paid to the account or address nominated by the Preference Shareholder.

3.6 Preferential

Dividends on the Preference Shares will rank in priority to dividends on the Shares.

3.7 Non-Cumulative

Dividends on the Preference Shares will not be cumulative.

3.8 Pari Passu

Preference Shares shall rank pari passu in respect of dividends with all other Preference Shares.

4. REDEMPTION

The Preference Shares are not redeemable.

5. CONVERSION**5.1 Conversion**

The Preference Shares will convert into Shares in accordance with this clause 5.

5.2 Conversion formula

The Preference Shares will automatically convert into Shares at such time as conversion of the Preference Shares would not result in the Preference Shareholder acquiring a Voting Power in the Company of greater than 19.9%. All of the Preference Shares can convert at the same time, or progressively subject to conversion of the number of Preference Shares being converted not resulting in the Preference Shareholder acquiring a Voting Power in the Company of greater than 19.9%. For example, if only 100 Preference Shares are able to convert to 100 Shares for the Preference Shareholder to acquire a Voting Power in the Company of not greater than 19.9%, only 100 Preference Shares will automatically convert into 100 Shares.

5.3 Statements

As soon as practicable after conversion of any Preference Shares, the Company will despatch statements or certificates in respect of the Shares issued as a result of conversion.

5.4 After conversion

The Shares issued on conversion of any Preference Shares will as and from 5.00pm (WST) on the date of allotment rank equally with and confer rights identical with the other Shares then on issue.

6. RECONSTRUCTION

In the event of any reconstruction, consolidation or division into (respectively) a lesser or greater number of securities of the Shares, the Preference Shares shall be reconstructed, consolidated or divided in the same proportion as the Shares are reconstructed, consolidated or divided and, in any event, in a manner which will not result in any additional benefits being conferred on the Preference Shareholders which are not conferred on the Shareholders.

7. WINDING UP

If the Company is wound up prior to conversion of all of the Preference Shares into Shares then the Preference Shareholders will have the right for each Preference Share held and not converted into Shares to be paid cash for the Issue Price and any arrears of dividends in priority to the shareholders but will have no right to participate beyond the extent specified in this clause 7 in surplus assets or profits of the Company on winding up.

8. TRANSFERRABLE

The Preference Shares are transferrable.

9. COPIES OF NOTICES AND REPORT

The Preference Shareholders have the same rights as Shareholders to receive notices, reports and audited accounts and to attend general meetings of the Company but are only entitled to vote in the circumstances referred to in clause 10.

10. VOTING RIGHTS

10.1 The Preference Shareholders have no right to vote save for those circumstances listed in Listing Rule 6.3.

10.2 The Preference Shareholders who has the right to vote as contemplated by clause 10.1 is also conferred the rights under Listing Rule 6.4 and 6.5.
